



Washington State Convention  
& Trade Center  
800 Convention Place  
Seattle, WA 98101

**STRATEGIC BUDGET**  
**2007 - 2009**  
**BIENNIUM**

**Submitted by**

**WASHINGTON STATE CONVENTION  
& TRADE CENTER**

**May 2006**

# WASHINGTON STATE CONVENTION & TRADE CENTER

## STRATEGIC PLAN 2007 - 2009

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### **MISSION OF THE WASHINGTON STATE CONVENTION & TRADE CENTER (WSCTC)**

Through the professional actions of our staff, we will provide our guests with a distinctive level of service excellence while maintaining a fiscally responsible, self-sustaining operation that contributes economic benefits to the people of the State of Washington.

### **STATUTORY AUTHORITY:** Ch. 67.40 RCW

In RCW 67.40 authorization is given to the Governor to form a nonprofit corporation to meet the purpose of this chapter:

- Provide both direct and indirect civic and economic benefits to the people of the State of Washington,
- Be located in the City of Seattle where it will benefit and increase the occupancy of larger hotels and other lodging facilities,
- Be funded through a special excise tax on the price of lodging in Seattle and King County.

### **BACKGROUND**

We are a corporation governed by a nine-member Board of Directors, who are appointed by the Governor. The Board's mission is to direct the design, construction, promotion, operation and expansion of the WSCTC.

Construction of the WSCTC building was funded from State general obligation bonds. The building was completed on time and the first event was held on June 30, 1988. WSCTC received legislative approval in the 1995 – 97 biennium to expand the Convention Center. The expansion project was completed within budget and the first events in the expansion space were held in August of fiscal year 2002. After, expansion the Convention Center has 205,700 square feet of exhibition space, 70,000 square feet column free space for plenary sessions for 8,000 people and 102,201 square feet of meeting space and a grand entrance.

### **GOALS**

1. To operate with the highest possible standards of customer service, continually evaluating customer satisfaction and quality of service performance.
  2. To provide economic benefits to the people of the State of Washington.
  3. Continue to be financially self-sustaining.
  4. Contribute leadership in coordinating the destination sales effort.
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# WASHINGTON STATE CONVENTION & TRADE CENTER

## STRATEGIC PLAN 2007 - 2009

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### **OBJECTIVES**

1. Customer Service
  - Promote service vision to staff and clients: "By doing ordinary things in an extraordinary manner, we will earn the privilege of serving our customers again."
  - Consistently deliver a quality event experience tailored to the satisfaction of every customer.
  - Provide staff with necessary information, resources, and ongoing training to facilitate the effective and efficient achievement of quality service performance goals.
  - Hire to assure a good fit and to enhance service capability.
2. Economic Benefits
  - Generate sales tax dollars to the State of Washington's General Fund from WSCTC delegate spending.
  - Attract non-local attendees to events at the Center, where they will spend their money on lodging, food, and retail establishments, providing state and local tax revenues, jobs for workers in the hospitality and retail industries, and profits for local businesses.
  - Showcase, purchase and serve Washington products to provide a positive impact for farmers, ranchers, growers, winemakers and brewers throughout the entire state.
3. Continue to be financially self-sustaining
  - Manage operating fund at a fiscal-year breakeven or profit.
4. Provide Leadership to the destination sales effort
  - Schedule strategy meetings and training events with Seattle's Convention and Visitors Bureau (SCVB) and with hotel sales and services teams.
  - Plan site visits for third-party planners and large association site committees to attract future business to this region. Efforts will be coordinated among WSCTC, SCVB, area hotels, and other hospitality businesses.

### **PERFORMANCE MEASURES**

1. Customer Service
    - 1.1 By survey, percent of event clients rating WSCTC's services overall as "satisfied" or "very satisfied." Outcome measured on semi-annual samples.
    - 1.2 By survey, percent of event clients rating specific aspects of the WSCTC experience i.e., food service, facility, etc. as "satisfied" or "very satisfied".
  2. Economic Benefits
    - 2.1 Estimated delegate spending while attending events at the WSCTC, expressed in dollars (millions) and based on published regional/national averages of retail spending by event delegates. Outcome measured annually.
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# WASHINGTON STATE CONVENTION & TRADE CENTER

## STRATEGIC PLAN 2007 - 2009

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- 2.2 Sales tax dollars to the State of Washington's General Fund generated annually from estimated WSCTC delegate spending. Outcome measured annually.
- 2.3 Number of attendees at the WSCTC events. Output measured annually.
- 3. Improved Profit Position
  - 3.1 Operating profit or loss expressed in dollars. Output measured annually.
  - 3.2 Number of events held at the WSCTC annually. Output measured annually.
  - 3.3 Compare benchmarking results with six other west coast convention centers. WSCTC submits standard revenue, event space used, and attendance results to an independent third party, who provides results back to the participants in an anonymous format for comparison and trends.

### **STRATEGIES**

- 1. Customer Service
    - Update service-training strategies that support the service vision for staff and customers.
    - Continue to review and refresh service systems to deliver a quality event experience tailored to the satisfaction of every customer.
    - Uphold hiring procedures that assure a good fit between staff and WSCTC objectives. Continue to update training programs for new employees that provide them with the resources to achieve quality service objectives.
  - 2. Economic Benefits
    - Target marketing efforts to large events that have high per-cap delegate spending.
    - Increase efforts to attract the large national association and corporate events that will bring increasing numbers of attendees to WSCTC.
    - Continue efforts to meet and work with growers, farmers, ranchers, wine makers and brewers to promote and showcase Washington products.
  - 3. Continue to be financially self-sustaining
    - Examine monthly expenditures and revenues to achieve stated financial goals.
    - Continually update financial projections and make recommendations that will assist in achieving the goal of self-sustaining operations.
  - 4. Coordinate the destination sales effort
    - Achieve a marketing agreement with SCVB that ties into the marketing strategies of both the hotel community and WSCTC.
    - Target future events and site visits to coordinate with the hotel community's calendar.
    - The Professional Convention and Management Association (PCMA) is scheduled to meet at WSCTC in 2008. PCMA is the largest and most prestigious group of decision makers that books conventions, tradeshow and meeting space. In concert with the hotel community and SCVB, the Convention
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# WASHINGTON STATE CONVENTION & TRADE CENTER

## STRATEGIC PLAN 2007 - 2009

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Center plans to promote conventions and meetings in our region for years to come.

Our staff members are our most important resource. WSCTC's aim is to provide staff with continued training for safety and efficiency, reward them for outstanding performance, open lines of communication and expect excellence.

WSCTC is an enterprise fund, which operates similar to a private business rather than a governmental agency. Due to concern for the bottom-line, the useful life of many capital items has been stretched to the maximum. In the event that all, or some of these items need to be replaced during this biennium, the budget is not large enough to accommodate the replacement cost and the impact would affect the Convention Center's business. Therefore, in Capital Fund 01V, a minor works program is outlined that addresses preservation of WSCTC's capital assets over a ten-year cycle.

New technology and the number of new or expanded convention centers not only in the local market, but nationally, as well, compel WSCTC to keep its building finishes and technology competitive to maintain its highly visible marketability.

### **PERFORMANCE ASSESSMENT**

The WSCTC continues to be a major catalyst in the economic development of the State through the tourism industry. It is our intent, with the 2007 - 2009 biennium budget proposal, to continue the high level of success that we have experienced since our opening in June of 1988.

The purpose of the WSCTC is to attract new revenue from outside Washington State by hosting national, international and regional conventions and trade shows. Delegate spending significantly increases area hotel use, retail and service industry sales and provides new sources of state and local tax revenues. This region's reputation as a desirable destination for conducting international and national business has been enhanced by the availability of exhibit and meeting space, as well as, the high service level provided by the WSCTC. The influx of visitors to the State also contributes significantly to the tourism industry.

Sales tax receipts from visitor spending go directly into the State Treasury to support our educational and social and health programs. Also, convention delegates do not enroll their children in our schools or burden our State institutions. Conservative projections estimate WSCTC's 2007– 2009 biennium events will add over \$16 million of sales tax revenue to the State Treasury.

### **APPRAISAL OF EXTERNAL ENVIRONMENT**

The supply of exhibit space and the number of convention centers continue to expand, increasing competition in the industry. This past biennium, 13 cities in the State of Washington built or expanded their convention centers. In order to continue to distinguish WSCTC and attract guests from out-of-state, a focus on our clients and services is vital.

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# WASHINGTON STATE CONVENTION & TRADE CENTER

## STRATEGIC PLAN 2007 - 2009

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Our customer service needs are also reflected in this budget proposal. For continued success, it is essential that we are able to provide our clients with the appropriate contracted staffing levels and a well-maintained facility. When the need arises for additional staffing or services, we must be prepared to provide that service. These additional services are paid for by the client, but must first be charged to our operating budget. Until such time as we can offset expenses with added revenues, we must anticipate additional client service requests in our budget planning process. Any potential reduction in this budget submittal may affect the service level provided to our contracted users.

While attendance from 1996 through 2001 was strong, attendance during fiscal 2002 was down slightly. However, 2003 and 2004 attendance was up 14.1 percent. Fiscal 2005 attendance was down six percent, however, out-of-state attendance was up 11 percent and delegate spending was up five percent. The outlook over the 2007 – 2009 biennium from our state forecaster predicts slow-to-moderate growth during this period.

The maintenance and facility operating budget is built to keep the Convention Center a first-class facility. Great pride is taken in the appearance and condition of the building and our budget request is based on that expectation. This building does not just house our business, it is our business.

The convention and tradeshow business continues to reinvent itself. Customer bundling for larger convention centers is a competitive tool that is on the cutting edge of providing customer service. The Convention Center is ready to launch this new program in the upcoming biennium. Projections show it will take \$130,500 in additional credit fees to support this new program. However, revenue increase will cover the additional credit card fees.

WSCTC is an enterprise fund agency that receives ongoing revenues from operations and from excise taxes on hotel and motel rooms in Seattle and King County, designated by statute for WSCTC operations and marketing. However, WSCTC can, by statute, transfer revenues to operations from Capital Fund 01V that are in excess of debt service payments.

From the inception of the Convention Center, it was anticipated that the Center would need to borrow from the General Fund for operations through the year 2000. As a result of the positive influence the Center has had on the hotel industry and resultant hotel/motel tax receipts, there has been no need to borrow since fiscal year 1993. We do not anticipate future borrowings.

To restate, we do not require a General Fund loan for this upcoming biennium. However, there could be a transfer requirement from existing dollars in Fund 01V.

# WASHINGTON STATE CONVENTION & TRADE CENTER

## STRATEGIC PLAN 2007 - 2009

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# WASHINGTON STATE CONVENTION & TRADE CENTER

## STRATEGIC PLAN 2007 - 2009

### REFERENCE/CONTACT INFORMATION

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